

# HOUSING AUTHORITY OF THE CITY OF BELLE GLADE

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## EXECUTIVE DIRECTOR:

Alan Sullivan

August 13, 2019

Mr. Tim Rogers  
USDA / Rural Development  
4440 NW 25<sup>th</sup> Place  
Gainesville, FL 32606

Dear Mr. Rogers:

The following is our responses and plans to your letter dated July 29, 2019, entitled "Routine Notice of Servicing Concerns/Violations".

### UNACCEPTABLE PHYSICAL CONDITION

Concerning the physical condition of the property: Over the past months we have been stepping up on our care of the property and we know that we have more work to do. I have met with our site managers and maintenance supervisor and discussed the conditions that you are referencing. We do not get good service from the trash and debris hauling contractor that Palm Beach County has hired so we have rented a dumpster and gone behind their pickup personnel and taken away a lot of trash and debris that was not getting removed. I have contacted the County Solid Waste Authority and asked for better service but it has not improved. We realize that we will continue to have to do this so we have requested a permanent dumpster so that our outdoor maintenance staff can keep this picked up in a better manner.

We also realize that our tenants will keep junk around their units even after we warn them to clean it up. That refers to old lawn mowers, lp gas containers, old tires and wheels, and anything else that they clutter their yards and/or porches with. It is a constant problem because we are asking them to get rid of stuff that belongs to them even though it is old. I have told our site managers that this kind of clutter cannot be allowed and that if the tenants will not remove these items we



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will go around and throw it away for them. I also told the site managers that our maintenance supervisor and myself will help them police the centers and provide the staff for getting this done. This cleanup also goes for unused and/or junk vehicles and or trailers. Our site managers have been too lenient on tenants that promise to remove their old vehicles and then just don't follow through. They have been instructed to give a deadline for the removal and if the deadline is not met the vehicles will be towed off of the property.

I believe that with all of us concentrating on this we can improve the cleanliness of the Centers immensely.

**Fill Dirt:** As you mentioned we have been in need of fill dirt. Starting last summer and into the fall we purchased and spread about 630 loads of fill dirt. That allowed us to bring up the yard levels near the top of both front and back porches on all of the units in both centers. We know that more is needed to bring the levels up to cover the slabs of all of the units. There is some fill dirt available and we plan to purchase more in the coming months to continue bringing up the levels of the yards all around our units. We are waiting for the rain to slow down somewhat since it is very difficult to fill and spread the dirt when it is wet. So, we should have this in better shape within about six months.

**Roof Replacement:** We have about 460 buildings within the two Centers. We replaced all roofs with a replacement program from 1998 through 2006. In 2006 we replaced a little over 100 roofs due to Hurricane Wilma and that completed the replacement project with all buildings having new roofs at that time. We replaced all of those roofs with a 25 year shingle but it is known that you need to start replacing those roofs at about 20 years. That is why we started a new roof replacement project two years ago. At this time we have 90 new roofs with our oldest roofs are right at 19 years old and our youngest roofs are only 13 years old. By replacing the roofs over a period like this makes it where we don't have a whole bunch of roofs going bad at the same time and having to deal with the astronomical cost of replacing all roofs at once. Our plan is to continue on this project so we are replacing those oldest roofs first and not replacing roofs that are still in good shape. At 45 roofs per year we will have all roofs replaced by 2027.

**Rehabbing Vacant Units:** I reviewed our occupancy that is reported in our Annual Audit Report and going back numerous years we have constantly run from 94% to 96% occupied. I have always felt that those are very good numbers. The four to five percent vacancy is the time to turn over the vacated units into occupied units. Being a very small town we do not have numerous contractors looking to do this kind of work but we will continue searching for contractors to help when we need them. I have met with our Maintenance Supervisor and discussed ways that we ourselves can speed up our turnover process. We will continue to try to do better at this.

**Painting:** We have always tried to keep up with painting with our inhouse workers but we now think that we need some help to keep up. We believe that we can continue to address interior painting of vacant units and work orders that come from our inspections, but we want to try hiring an outside contractor to paint exteriors. This will allow us to develop a list of the most needy units and get them done and then develop the next list to get them done. This will take a lot of pressure



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off of our inhouse painting crew trying to keep up with both.

## FINANCIAL NONCOMPLIANCE

Financial budgets and financials were not submitted in a timely manner: I do not believe that this is true. Concerning budgets: I was always under the impression that a budget without a rent increase is due 60 days prior to the start of the new fiscal year. For us that would be by the end of July of each year. I do not remember ever not presenting a budget by the end of July for the coming year. For budgets that are containing a rent increase, I was under the impression that the budget needed to be presented 90 days before the beginning of the new fiscal year which for us would be by the end of June. For those times that I have had rent increases I am very sure that I got the budget sent in by the end of June every time.

Concerning year-end financials: Most every year the local RD office would email me a notice that our year-end financials were overdue. I would send that to our auditor and he would always respond. A few years ago he got clarification from the National Single Audit Coordinator for USDA, Ms. Marbie Baugh. Please see a copy of the email conversation with Ms. Baugh which I believe will clear up this question. She states that "since the Housing Authority is subject to a single audit, the single audit timeframes take precedence over the program audit requirements". On page 2 of the copy you will see that the timeframe for the single audit is 9 months after the end of the fiscal year.

Transfer to Reserves: I have always been confused by this and am still not sure where the figures come from. I looked back at the 2016 reference to surplus cash of \$1,024,564 and still cannot find that figure anywhere. I even responded to that in the Year-end Audit and Financial Review in my letter dated 7/24/17 by asking for clarification of the figure but never received a response. I even noted that the year's net profit only came to \$159,612. I keep a monthly statement that shows where our monies are and can provide that at any time. I will enclose a copy of the 9/30/18 statement and a current statement that is used by our auditor and hope that it may shine some light on where our funds are.

Site Management and Maintenance Payroll: I do not have an answer as to why our averages are higher than other site averages. I am enclosing a copy of our employee's base pay listing and the jobs that they are in. I don't believe that we are out of line with other employers in our area. Most of our employees have been here for a while and are loyal to their jobs. After reviewing our listing again, I do not feel that we are overstaffed. We now more than ever need these people to perform their jobs and are asking them to step it up as we try to do more work with the same staff.

Trash Expense: Trash removal is a large expense that we do not seem to derive the service that the cost should reflect. I am enclosing a copy of our bill from the Palm Beach County Solid Waste Authority for this current year and the proposed bill for this coming year. The bill consists of a "Solid Waste Assessment" for both Osceola Center and Okeechobee Center that is based on the number of and size of the units that we have. Also included is the Trash pickup for



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Okeechobee Center which is not within the City Limits of Belle Glade so therefore the pickup and its cost are contracted by the Solid Waste Authority.

Correction: I plan to continue to submit all future budgets and financial audits in a timely manner. I have submitted a budget for the coming year with a 10% rent increase. That will increase our annual income by over \$280,000. For this year we will be able to continue our roof replacement project without further draining the Reserve Account. Our plan is to do a more thorough job of our inspections so as to address the most immediate needs. Also, our site managers will be accompanied by a Florida Health Department inspector so we will make sure that we don't miss anything. We plan to continue to recover floors where most needed, to replace kitchen base and wall cabinets where most needed and to update bathroom fixtures where most needed.

During this first year I plan to seek professional help with the planning and bidding of a project to complete the Accessibility Transition Plan. We got an updated plan with our last CNA but will definitely need professionals that are familiar with all of the accessibility rules and laws.

For longer term plans, we have already developed a list of needs and have forwarded it to Senator Scott for consideration. I will enclose the list that we sent which includes Hurricane Hardening to about ¼ th of our units that have not been done, replacement of base and wall cabinets in the kitchens, replacement of bathroom fixtures in some of our units and the repaving of both housing Centers. We have hopes that some rehab funds may become available but if none come up during the coming year we will have to budget for another rent increase and prepare to go out for bids on these needs. Having more time and better inspections will allow us to prioritize which projects we need to get started on first.

#### PROPERTY MANAGEMENT NONCOMPLIANCE

Lease: I understand the issues of noncompliance as far as us as landlord. As I stated above we are working on resolving our parts of the noncompliance and also the tenant's part such as cleanliness and junk cars. It is our intent to work harder to clean up those issues and constantly work to keep them cleaned up. I have reviewed 3560.156 and feel I tried to make any changes that do not agree with the requirements. I have removed the clause in paragraph 40 that says that the landlord is held harmless. Concerning paragraph 37. s. I have reviewed the language concerning Costs and Attorney's Fees and do not believe that this paragraph goes against the wording in 3560.156, (18) (xxi)(9) which states that we cannot require the tenant to agree to pay legal fees and court costs whenever the borrower takes action against the tenant, even if the court finds in favor of the tenant.

Our clause states that the prevailing party shall be entitled to recover all costs and reasonable attorney's fees. A copy of the revised lease is being sent for your review.

Management Plan: I have reviewed the requirements in Attachment 3-A and also reviewed our Management Plan. I have updated the plan and hopefully included all of the requirements and included the descriptions of our operations. A copy of the updated Management Plan is being submitted for your review.



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## CONCLUSION

I hope that this allows you to see that we have already started working on many of the items that you have mentioned and to see that this has caused us to rethink the way we have approached some of the other items that you have mentioned. Also, I have been contacted by Nelson and Associates concerning management help and even though I can't speak for my Board of Directors, I believe that we would be open to working with a group that has had experience in working through these things.

Sincerely,



Alan Sullivan  
Executive Director



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